(b) The imports by both the airlines have been made without payment of duties as at the relevant time of their import, aircrafts were exempt from levy of customs duties.

(c) No case of evasion of customs duty has been made against these airlines, and hence no further action is required.

Illegal imports in connivance of Customs Officials

*124. SHRI VISHNU KANT SHASTRI:
SHRI B. K. HARIPRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that customs officials at Bangalore allowed large scale illegal imports in connivance with customs agents causing loss of revenue to Government running into crores of rupees;

(b) what are the steps Government have taken to contain such illegal import activities;

(c) what is the amount of revenue loss Government incurred during the past three years on this account; and

(d) whether the Government have fixed responsibility on customs official; if so, the details thereof?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) to (d) It has has been brought to the notice of the Government that there have been some irregularities in the Bangalore Custom House in clearing certain items whose import is restricted or require licence under the provisions of the Customs Act, 1962. The Government is reviewing these cases for appropriate action under the law.

The Government has got a strong organisation under the directorate General of Revenue Intelligence in addition to officers under the Preventive Customs formations located in strategic points of the country to gather intelligence on such activities of illegal irregular imports, including violations detected under the law are proceeded by appropriate authorities. Government revenue sought to be evaded by such irregular/illegal imports and clearances are always recovered through appropriate procedures under the law.

In the case of imports at Bangalore where irregularities have been detected, the duty, redemption fine and penalty have been collected.

Investigation is under progress to fix the responsibility of the officials concerned.

Loans to Reliance Industries by foreign Bank

*126. DR. RANBIR SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the Reliance Industries Limited has concluded Rupees 473 crore loan with Consortium of Banks led by the
Union Bank of Switzerland without any guarantee; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) Approval has been granted to Ms. Reliance Industries Ltd., to raise foreign currency loan of USD 150 million (approximately Rs. 473 crores) to be arranged by a consortium of banks, namely, Ms. ABN Amro Bank, N.V., BA Asia Ltd. and Union Bank of Switzerland, without any guarantee, for financing the import of capital goods.

(b) This loan has an interest rate of 6-months LIBOR (London Interbank Offered Rate) plus 1% per annum and repayable in full at the end of 7 years from the date of draw down. The current LIBOR is 5.9% per annum.